

AMENDED IN SENATE JUNE 23, 2010

AMENDED IN ASSEMBLY APRIL 29, 2010

AMENDED IN ASSEMBLY APRIL 20, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2531

**Introduced by Assembly Member Fuentes
(Principal coauthor: Assembly Member Bradford)**

February 19, 2010

An act to amend, repeal, and add Sections 33020, 33021, 33071, 33440, 33444.5, and 33444.6 of, to add and repeal Sections 33131.5 and 33333.9 of, and to add and repeal Article 10.5 (commencing with Section 33427) of Chapter 4 of Part 1 of Division 24 of, the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2531, as amended, Fuentes. Redevelopment: economic development.

(1) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires those agencies to prepare, or cause to be prepared, and approve a redevelopment plan for each project area. Existing law defines the term “redevelopment” for these purposes and specifies the scope of activities that the term includes. Existing law also makes specified legislative findings and declarations regarding the fundamental purposes of redevelopment.

This bill would include in the definition of the term “redevelopment” those activities that result in the provision of employment opportunities and expand the scope of activities included in that term. This bill would

also make additional legislative findings and declarations regarding the fundamental purposes of redevelopment. The bill would additionally authorize the *Community Redevelopment Agency* of the City of Los Angeles, at the request of its legislative body, to prepare applications for, and execute, economic development programs, to accept public or private assistance, and to expend those funds for any economic development activities inside or outside a project area within the territorial jurisdiction of the agency. The bill would also authorize a redevelopment agency to provide assistance for establishment and maintenance of a small business incubator. This bill would also prohibit an agency from amending a redevelopment plan to increase or extend certain required limitations for the purpose of implementing these provisions.

(2) Existing law authorizes an agency to construct foundations, platforms, and other structural forms necessary for the provision or utilization of air rights sites for buildings to be used for residential, commercial, industrial, or other uses contemplated by the redevelopment plan. An agency is also authorized to establish a program under which it loans funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures within the project area.

This bill would expand the agency's programmatic authority by authorizing it to provide loans, financial guarantees, or other financial assistance to owners or tenants in a redevelopment project area for retaining or expanding employment in the project area, increasing energy efficiency of buildings in the project area, or for any other redevelopment purpose, as specified.

(3) This bill would repeal its provisions *to the extent it modifies existing law* on January 1, ~~2016~~ 2018, as specified.

(4) This bill would make legislative findings and declarations as to the necessity for a special statute *for the Community Redevelopment Agency of the City of Los Angeles*.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 33020 of the Health and Safety Code is
- 2 amended to read:
- 3 33020. (a) "Redevelopment" means the planning, development,
- 4 replanning, redesign, clearance, reconstruction, or rehabilitation,

1 or any combination of these, of all or part of a survey area, and
2 the provision of those residential, commercial, industrial, public,
3 or other structures or spaces as may be appropriate or necessary
4 in the interest of the general welfare, including recreational and
5 other facilities incidental or appurtenant to them, activities that
6 result in the provision of employment opportunities, and payments
7 to school and community college districts in the fiscal years
8 specified in Sections 33681, 33681.5, 33681.7, 33681.9, and
9 33681.12.

10 (b) This section shall remain in effect only until January 1, ~~2016~~
11 2018, and as of that date is repealed, unless a later enacted statute,
12 that is enacted before January 1, ~~2016~~ 2018, deletes or extends
13 that date.

14 SEC. 1.5. Section 33020 is added to the ~~Government~~ *Health*
15 *and Safety* Code, to read:

16 33020. (a) “Redevelopment” means the planning, development,
17 replanning, redesign, clearance, reconstruction, or rehabilitation,
18 or any combination of these, of all or part of a survey area, and
19 the provision of those residential, commercial, industrial, public,
20 or other structures or spaces as may be appropriate or necessary
21 in the interest of the general welfare, including recreational and
22 other facilities incidental or appurtenant to them and payments to
23 school and community college districts in the fiscal years specified
24 in Sections 33681, 33681.5, 33681.7, 33681.9, and 33681.12.

25 (b) This section shall become operative on January 1, ~~2016~~
26 2018.

27 SEC. 2. Section 33021 of the Health and Safety Code is
28 amended to read:

29 33021. (a) Redevelopment includes the following:

30 (1) The alteration, improvement, modernization, reconstruction,
31 or rehabilitation, or any combination of these, of existing structures
32 in a project area.

33 (2) Provision for open-space types of use, such as streets and
34 other public grounds and space around buildings, and public or
35 private buildings, structures and improvements, and improvements
36 of public or private recreation areas and other public grounds.

37 (3) The replanning or redesign or original development of
38 undeveloped areas as to which either of the following conditions
39 exist:

1 (A) The areas are stagnant or improperly utilized because of
2 defective or inadequate street layout, faulty lot layout in relation
3 to size, shape, accessibility, or usefulness, or for other causes.

4 (B) The areas require replanning and land assembly for
5 reclamation or development in the interest of the general welfare
6 because of widely scattered ownership, tax delinquency, or other
7 reasons.

8 (4) The provision of direct assistance to businesses in connection
9 with new or existing facilities within redevelopment project areas
10 for industrial or manufacturing ~~uses, including~~ *uses. Direct*
11 *assistance may include, but is not limited to,* loans, loan guarantees,
12 and other financial assistance, and the provision or replacement
13 of machinery and equipment in those facilities, ~~provided where~~
14 the assistance is reasonably expected to *either* result in the retention
15 or expansion of the number of persons employed in industrial or
16 manufacturing jobs ~~and, or~~ achieve any of the following:

17 (A) Reduce emissions of greenhouse gases.

18 (B) Increase the use of clean, renewable, or alternative energy.

19 (C) Increase energy efficiency.

20 (D) Increase the use of recycled and locally sourced materials.

21 (E) Increase efficiency in water, wastewater, and stormwater
22 systems.

23 (F) Increase the efficiency of construction methods.

24 (G) Reduce ~~demolition~~ *demolition-* and construction-induced
25 pollution and waste material generation.

26 (H) Improve indoor air quality.

27 (I) Reduce building operation costs through increased operation
28 and maintenance efficiency.

29 (J) Reduce public infrastructure costs related to development.

30 (5) Job training, job placement, apprenticeship and
31 preapprenticeship programs, ~~and services~~ relating to construction
32 or to operations of businesses in project areas.

33 (b) This section shall remain in effect only until January 1, ~~2016~~
34 *2018*, and as of that date is repealed, unless a later enacted statute,
35 that is enacted before January 1, ~~2016~~ *2018*, deletes or extends
36 that date.

37 SEC. 2.5. Section 33021 is added to the ~~Government~~ *Health*
38 *and Safety* Code, to read:

39 33021. (a) Redevelopment includes the following:

1 (1) The alteration, improvement, modernization, reconstruction,
2 or rehabilitation, or any combination of these, of existing structures
3 in a project area.

4 (2) Provision for open-space types of use, such as streets and
5 other public grounds and space around buildings, and public or
6 private buildings, structures and improvements, and improvements
7 of public or private recreation areas and other public grounds.

8 (3) The replanning or redesign or original development of
9 undeveloped areas as to which either of the following conditions
10 exist:

11 (A) The areas are stagnant or improperly utilized because of
12 defective or inadequate street layout, faulty lot layout in relation
13 to size, shape, accessibility, or usefulness, or for other causes.

14 (B) The areas require replanning and land assembly for
15 reclamation or development in the interest of the general welfare
16 because of widely scattered ownership, tax delinquency, or other
17 reasons.

18 (b) This section shall become operative on January 1, ~~2016~~
19 ~~2018~~.

20 SEC. 3. Section 33071 of the Health and Safety Code is
21 amended to read:

22 33071. (a) The Legislature further finds and declares that a
23 fundamental purpose of redevelopment is to expand the supply of
24 low- and moderate-income housing, to expand employment
25 opportunities for jobless, underemployed, and low-income persons,
26 to attract and retain businesses in order to enhance employment
27 opportunities, and to provide an environment for the social,
28 economic, and psychological growth and well-being of all citizens.

29 (b) This section shall remain in effect only until January 1, ~~2016~~
30 ~~2018~~, and as of that date is repealed, unless a later enacted statute,
31 that is enacted before January 1, ~~2016~~ ~~2018~~, deletes or extends
32 that date.

33 SEC. 3.5. Section 33071 is added to the ~~Government~~ *Health*
34 *and Safety* Code, to read:

35 33071. (a) The Legislature further finds and declares that a
36 fundamental purpose of redevelopment is to expand the supply of
37 low- and moderate-income housing, to expand employment
38 opportunities for jobless, underemployed, and low-income persons,
39 and to provide an environment for the social, economic, and
40 psychological growth and well-being of all citizens.

(b) This section shall become operative on January 1, ~~2016~~ 2018.

SEC. 4. Section 33131.5 is added to the Health and Safety Code, to read:

33131.5. (a) In addition to authority otherwise provided in this part, the *Community* Redevelopment Agency of the City of Los Angeles, at the request of its legislative body, may do both of the following:

(1) Prepare applications for various state and federal grant programs relating to economic development, plan and carry out those programs and expend grant funds inside or outside any redevelopment project area within the territorial jurisdiction of the agency, and comply with any conditions of the program.

(2) Accept any other assistance from the state or federal government or any public or private source, spend those funds for any economic development activities inside or outside any redevelopment project area within the territorial jurisdiction of the agency, and comply with any conditions of that assistance.

(b) This section shall remain in effect only until January 1, ~~2016~~ 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2016~~ 2018, deletes or extends that date.

SEC. 5. Section 33333.9 is added to the Health and Safety Code, to read:

33333.9. (a) An agency shall not amend a redevelopment plan to increase or extend the limits imposed pursuant to Section 33333.2, 33333.4, or 33333.6 for the purpose of implementing the authority granted by the act adding this section.

(b) This section shall remain in effect only until January 1, ~~2016~~ 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2016~~ 2018, deletes or extends that date.

SEC. 6. Article 10.5 (commencing with Section 33427) is added to Chapter 4 of Part 1 of Division 24 of the Health and Safety Code, to read:

Article 10.5. Small Business Development

33427. (a) In addition to any other authority granted under this part, an agency may, within a project area, for the purposes

1 of redevelopment, assist public agencies or private nonprofit
2 corporations to establish, construct, and maintain a small business
3 incubator.

4 (b) In addition to any other authority granted under this part, an
5 agency may, for the purposes of redevelopment, provide loan
6 guarantees for small businesses located within a project area.

7 (c) For the purposes of this section, “small business” shall have
8 the same meaning as defined in Section 11342.610 of the
9 Government Code.

10 33428. This article shall remain in effect only until January 1,
11 2016 2018, and as of that date is repealed, unless a later enacted
12 statute, that is enacted before January 1, 2016 2018, deletes or
13 extends that date.

14 SEC. 7. Section 33440 of the Health and Safety Code is
15 amended to read:

16 33440. (a) Except as provided in Article 9 (commencing with
17 Section 33410), Article 10.5 (commencing with Section 33427),
18 or Section 33444.6, this part does not authorize an agency to
19 construct any of the buildings for residential, commercial,
20 industrial, or other use contemplated by the redevelopment plan,
21 except that, in addition to its powers under Section 33445, an
22 agency may construct foundations, platforms, and other like
23 structural forms necessary for the provision or utilization of air
24 rights sites for buildings to be used for residential, commercial,
25 industrial, or other uses contemplated by the redevelopment plan.

26 (b) This section shall remain in effect only until January 1, 2016
27 2018, and as of that date is repealed, unless a later enacted statute,
28 that is enacted before January 1, 2016 2018, deletes or extends
29 that date.

30 SEC. 7.5. Section 33440 is added to the ~~Government~~ *Health*
31 *and Safety* Code, to read:

32 33440. (a) Except as provided in Article 9 (commencing with
33 Section 33410), this part does not authorize an agency to construct
34 any of the buildings for residential, commercial, industrial, or other
35 use contemplated by the redevelopment plan, except that, in
36 addition to its powers under Section 33445, an agency may
37 construct foundations, platforms, and other like structural forms
38 necessary for the provision or utilization of air rights sites for
39 buildings to be used for residential, commercial, industrial, or other
40 uses contemplated by the redevelopment plan.

(b) This section shall become operative on January 1, ~~2016~~ 2018.

SEC. 8. Section 33444.5 of the Health and Safety Code is amended to read:

33444.5. (a) An agency may establish a program under which it provides loans, financial guarantees, or other financial assistance to owners or tenants in a redevelopment project area, for any of the following purposes:

(1) Rehabilitating commercial buildings or structures within the project area.

(2) Retaining or expanding employment in the project area.

(3) Increasing energy efficiency of buildings in the project area.

(4) Any other redevelopment purpose specified in Section 33021.

(b) This section shall remain in effect only until January 1, ~~2016~~ 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2016~~ 2018, deletes or extends that date.

SEC. 8.5. Section 33444.5 is added to the ~~Government~~ *Health and Safety Code*, to read:

33444.5. (a) An agency may establish a program under which it loans funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures within the project area.

(b) This section shall become operative on January 1, ~~2016~~ 2018.

SEC. 9. Section 33444.6 of the Health and Safety Code is amended to read:

33444.6. (a) Within a project area and as part of an agreement that provides for the development, rehabilitation, or use of property that will be used for industrial or manufacturing purposes, an agency may assist with the financing of facilities or capital equipment, including, but not necessarily limited to, pollution control devices.

(b) In addition to any other authority granted pursuant to this part, an agency may, for the purposes of redevelopment, construct buildings for industrial or manufacturing purposes that meet the ~~criteria in subdivision (c) of Section 33021.~~ *criteria in paragraph (4) of subdivision (a) of Section 33021.*

(c) Prior to entering into an agreement for a development that will be assisted pursuant to this section, the agency shall find, after

1 a public hearing, that the assistance is necessary for the economic
2 feasibility of the development and that the assistance cannot be
3 obtained on economically feasible terms in the private market.

4 (d) This section shall remain in effect only until January 1, ~~2016~~
5 2018, and as of that date is repealed, unless a later enacted statute,
6 that is enacted before January 1, ~~2016~~ 2018, deletes or extends
7 that date.

8 SEC. 9.5. Section 33444.6 is added to the Health and Safety
9 Code, to read:

10 33444.6. (a) Within a project area and as part of an agreement
11 that provides for the development or rehabilitation of property that
12 will be used for industrial or manufacturing purposes, an agency
13 may assist with the financing of facilities or capital equipment,
14 including, but not necessarily limited to, pollution control devices.

15 (b) Prior to entering into an agreement for a development that
16 will be assisted pursuant to this section, the agency shall find, after
17 a public hearing, that the assistance is necessary for the economic
18 feasibility of the development and that the assistance cannot be
19 obtained on economically feasible terms in the private market.

20 (c) This section shall become operative on January 1, ~~2016~~
21 2018.

22 SEC. 10. The Legislature finds and declares that the purpose
23 of this act is to clarify existing law and to provide agencies with
24 additional authority to assist businesses in order to encourage the
25 retention of existing employment opportunities and the attraction
26 of new employment opportunities. Nothing in this act shall be
27 construed as limiting or restricting the authority that an agency
28 possessed prior to the effective date of this act.

29 SEC. 11. The Legislature finds and declares, with respect to
30 Section 4 of this act, that a special law is necessary and that a
31 general law cannot be made applicable within the meaning of
32 Section 16 of Article IV of the California Constitution because of
33 the unique circumstances, needs, and challenges *of the Community*
34 *Redevelopment Agency* of the City of Los Angeles.